Gearing up the presses

(Continued from Page M-9)

Additionally, *BYTE*, a McGraw-Hill consumer magazine published for small businesses with computers and for technically competent users of personal computers, continues to soar to new heights in advertising revenue. Up approximately 1,000 ad pages in 1981, the magazine closed 1982 with 3,968 pages of ads, which represents a gain of 431.

ABP's Thomas King views the tremendous growth of new magazines geared to computers and software as perhaps the most exciting and dramatic recent development in the business press. "Everyone is jumping on the bandwagon," he says.

And indeed they are. John Abely, president of Technical Publishing Co., a subsidiary of Dun & Bradstreet in Barrington, Ill., says that his company's publication, *Datamation*, has just had "three consecutive strongly up issues back-to-back."

One way to guard against the slings and arrows of outrageous fortune that can occur in individual markets is to diversify, and many publishers are doing just that.

Cleveland-based Penton/IPC's newest magazine, *Computer Aided Engineering*, is "doing very nicely," according to chairman Thomas Dempsey. And John Fairchild, chairman of Fairchild Publications, New York, wishes only that his company had been faster out of the gate with its new computer publication, *MIS-Week*.

Yes, all is well in computerland.

As Mr. Ruzinsky points out, however, it is a period of darker days for some of the more traditional American industries. The publications that serve them tell the story.

Natural resources, heavy manufacturing, building and construction: All have been hit hard by the current recession. Again, according to "The Gallagher Report," the following publications were down in advertising pages in 1982: *Oil & Gas Journal*, 15.1%; *Coal Age and Engineering & Mining Journal*, 19.8%; *Chemical & Engineering News*, 26.3%, *Power Engineering*, 34%; *Professional Builder*, 30.3%, and *Construction Equipment*, 28%.

One company that mistimed a new leap into the natural resources field was Whitney Communications Corp., New York. Two years ago, when interest in synthetic fuels was growing and it appeared as though oil prices were going to keep escalating, Whitney purchased *Coal Industry News*. The intent was to improve the twice-monthly tabloid editorially, then take it weekly and position it as the news medium of the coal industry against the monthlies, *Coal Age* and *Coal Mining & Processing*. But the expected increase in the use of coal never happened.

Now, the president of Whitney's magazine division, John Prescott, says the company is trying to decide what to do with *Coal Industry News* until the time comes when the industry might support such a weekly.

One way to guard against the slings and arrows of outrageous fortune that can occur in individual markets is to diversify. And more and more smart publishers are doing just that—entering other areas of publishing and indeed, other areas of business altogether.

Within Whitney's magazine division, for example, healthy times for *Interior Design* and *Corporate Design* have helped to offset both the mishap with *Coal Industry News* and what has been generally a sluggish period for the company's boating publications. Moreover, Whitney as a whole is a communications company with "three legs on the stool"—newspapers, magazines and cable tv.

And, at Technical Publishing, Mr. Abely says the company has become—in addition to its publishing efforts—"the nation's largest producer of programed training materials." The programs, for example, "train someone who can't hold a hammer into a master mechanic," Mr. Abely explains. They are available in both print and video formats that are sold as packages to companies.

Technical also has its DBI Books division, which publishes and markets large format, vertical interest, soft-cover consumer books, the most successful being "Gun Digest," an annual.

Penton/IPC has moved even further afield, actively pursuing a diversification program into enterprises completely outside of publishing, including a 500-condominium resort development, a direct mail marketing operation serving primarily the ethical drug market and commercial and residential real estate activities, all in the Tampa-Clearwater area of Florida.

Perhaps one of the more intriguing phenomena recently has been the spinning off of successful trade efforts into consumer publications. After the success of *Computerworld*, CWCI launched *InfoWorld* and *PC World* for microcomputer users. McGraw-Hill's *BYTE* is another example. But maybe the most dramatic spinoff is *W*, Fairchild Publications' consumer offshoot of *Women's Wear Daily*. One out of every eight *W* readers, says Mr. Fairchild, is a millionaire; the readership's household income on the average is $70,000 a year. In addition, Fairchild is producing a network tv show based on *W* with Paramount Pictures.

Recently, Fairchild launched a consumer version of *SportsStyle*, a business publication for the active sportswear market. And publication of *M*, a male version of *W* and a spinoff of one of Fairchild's oldest business publications, *Men's Wear*, is scheduled to begin this July or August. It's intended to compete with *GQ*—*Gentlemen's Quarterly*.

However, possibly the most fertile and far-reaching area of diversification for business publishers—and a relatively new one—comes from within in the form of "electronic" or "database publishing."

Basically, it's the selling of instant information via computer. The two major types of services provided are: Data retrieval (for example, calling up the editorial content of a given publication) and, two, the ability to transmit fast-breaking news or information. To receive the information, which is constantly updated, users need an on-line terminal.

Often, the publishers source material is transferred to a third party that markets it as part of a larger databank, paying the publisher a royalty for each request. Less frequently, publishers market their information directly via their own networks.

A leader in electronic publishing, McGraw-Hill Publications Co. is already marketing many database services through another M-H division, DRI, and through Mead Data Central's NEXIS.

And just four months ago, McGraw-Hill launched Electronic Marketing Information Service (EMIS), which it is marketing directly. Mr. McPherson calls EMIS "the next real jump in electronic publishing." It is being operated as a joint venture with I.P. Sharpe Corp., which, according to Mr. McPherson, already has an electronic network set up that reached 500 cities in the world.

EMIS provides oil and chemical buyers with current information on prices, currency conversion rates and tariff regulations in different countries. It also provides such esoteric data as

Fastest growing business magazines by advertising revenue

Over-all (All divisions)	($000)	% change '80/'81
1. Computer Decisions	5,987	71.4
2. Mini-Micro Systems	6,750	60.3
3. Institutional Investor	12,940	45.6
4. The Blood Horse	5,014	40.6
5. Motor	2,659	38.2
6. EDN	13,286	38.0
7. Petroleum Engineer Intl.	4,495	37.7
8. Computerworld	24,643	37.2
9. Oil & Gas Journal	20,350	36.6
10. Diversions	6,655	33.0

Fastest growing business magazines by advertising pages

Over-all (All divisions)	Ad pages	% change '80/'81
1. Computer Decisions	1,368	51.8
2. Mini-Micro Systems	1,779	40.0
3. Petroleum Engineer Intl.	1,759	29.3
4. Hospital Practice	1,289	26.7
5. American Family Physician	1,974	25.5
6. Oil & Gas Journal	7,406	21.5
7. Air Cond. Heating & Refrig.	1,200	20.6
8. Restaurants & Institutions	2,744	20.4
9. Diversions	2,154	19.3
10. Emergency Medicine	2,194	18.9

Fastest growing business magazines by total revenue

Over-all (All divisions)	($000)	% change '80/'81
1. Computer Decisions	5,987	71.4
2. Mini-Micro Systems	6,750	60.3
3. Institutional Investor	13,841	44.3
4. The Blood Horse	6,031	39.1
5. EDN	13,286	38.0
6. Motor	4,201	36.7
7. Petroleum Engineer Intl.	4,666	36.3
8. Computerworld	28,742	35.7
9. Annals of Internal Medicine	4,748	35.2
10. Materials Handling & Engineering	4,362	33.8

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the level of the Rhine River (because of the river's heavy shipping traffic) and the availability and locations of ships for cargo purposes. Users of the service are able to buy and sell products right through the system from their terminals.

On another note, mergers and acquisitions have slowed considerably from their more dramatic days years ago when American Broadcasting Cos. acquired Chilton, International Thomson Business Press purchased Litton Industries' publishing division (now Medical Economics Co.) and American Express Co. made its unfriendly takeover bid, which ultimately failed, for McGraw-Hill.

Yet acquisitions continue, only on a smaller scale. The larger companies are picking up fairly small companies and often just one or two publications at a time.

ABC recently added COMPUTE! Publications, a small Greensboro, N.C., company to its roster of publishing concerns, and International Thomson recently entered the financial services market, picking up the *American Banker* and *Bond Buyer*, which previously had been privately owned.

As trade publishing becomes increasingly competitive—in 1973, there were 463 ABP member publications and today there are 558—all publications, business and consumer, must compete that much more for people's time.

"People are not going to devote the time to leafing through page after page of the old-time business press that used to take just product news and throw it in there to fill up around the ads," notes Mr. Prescott, president of Whitney Communication's magazine division.

For the big stories in their fields, trade publications also face stronger and stronger competition from newspapers, consumer magazines and network tv—largely because of the public interest in the economy that has grown out of the instability of the last decade.

"The business sections of the *New York Times*, the *Washington Post* and the *Los Angeles Times* have become so good," Mr. Fairchild observes, "that people who are in the business press have had to get better."

Mr. King suggests, "Some magazines in some older, manufacturing-type industries" may not make it.

"The publishers of those magazines are going to have to be a lot quicker on their feet to survive and prosper this year, next year and probably the year after that," he says.

In the long term, says Mr. Ruzinsky of Touche Ross, the "big are going to get bigger. The strong are going to get stronger." He adds, "Share of market is going to be a 'must,' which means somebody's going to get hurt in the process."

On the other hand, Mr. King points out that he still sees a lot of small entrepreneurs—lots of people with a good idea, a couple of smart editors and a few salespeople trying to get into the business.

Computer books grow, bit by bit

CWCI cultivates an international bumper crop

By Charlene Canape

In May, 1967, Patrick J. McGovern, founder of International Data Corp., was having lunch on Wall Street with some of his employes. The topic of discussion was an IDC survey that had determined computer users were not getting the most up-to-date information available on the computer industry. Mr. McGovern, who is president and chief executive officer as well as founder of the Framingham, Mass.-based computer research company, had a solution: Start a magazine to address those needs and have the first issue ready in three weeks, in time to pass out at the national computer show.

That was the beginning of what is now CW Communications/Inc. (CWCI). "We were not in the publishing business before, and we had no idea that launching a new publication is normally a process that takes six to nine months," explains Mr. McGovern. "We wrote the stories, went to the printer and took the copies to the computer show.

"To our amazement, people starting crowding around, snatching up the issue and asking how to subscribe. There was a lot of interest."

Back when he was a newcomer to the business press industry, Mr. McGovern thought his publishing venture would be small, compared with the main business of the company. But these days, the tail is wagging the dog. For 1983, projections estimate that CWCI will account for $80 million out of a total of $110 million in revenues for International Data Group. (The International Data Group was formed in the mid-1970s as a holding company for the two subsidiaries, CWCI and International Data Corp.) CWCI is expected to grow at an annual rate of 40%, says company president Walter Boyd, and the group itself is expected to reach the $1 billion mark by 1990, says Mr. McGovern.

According to Jack Edmonston, group vp-communication services, CWCI's first publication, *Computerworld*, had a paid circulation of 124,228 in March and in 1982 had $28.5 million in ad revenues and 5,163 ad pages.

Spurred on by the success of *Computerworld*, Mr. McGovern added three other publications—*InfoWorld*, *ISO World* and *PC World*—each addressing the needs of computer users in specific segments of the market.

In addition, Mr. McGovern has taken his expertise in computer publishing abroad. He now has computer publications in 18 countries and predicts he will have publications in 40 countries by 1990.

CWCI's growth mirrors the growth of the computer industry. When *Computerworld* was first published, the computer industry consisted primarily of big marketers selling to big users. As the prices for computers went down, and with the advent of the microcomputer for business and personal use, more middlemen and consumers came into the market, looking for information to help them make purchasing decisions.

VISICORP 'IN ARREARS' ON VisiOn, Page 5

ISO WORLD

Serving Independent Sales Organizations Reselling Small Computer Systems & Software April 11, 1983

IBM CLEARS A PATH FOR NEW GROWTH

EXCLUSIVE INTERVIEW: IBM'S ESTRIDGE

MICROFLOPPY DRIVES: THE MARKET

FLOP THE FLOPPY AND SAVE THE SALE

***Spurred on by the success of* Computerworld, *CWCI added* InfoWorld, ISO World *and* PC World.**

"In the old days, when IBM went out and sold a $4 million computer, it could afford a dedicated salesman for each project," notes Mr. Boyd. "Now with micros selling for much less, it just cannot afford those kinds of individual sales calls."

These days, Mr. McGovern knows a great deal more about the publishing industry than when he started. He now takes six to eight months to launch a new publication. There is, however, the exception. "In some cases, it's still better to move quickly," he says. "In Sweden [this year], we launched a new computer magazine in two weeks."

As with *Computerworld's* startup, the birth of *PC World*, CWCI's most recent U.S. publication, was rather unusual. Mr. McGovern had been ready to buy a publication called *PC Magazine* in San Francisco. When he arrived to sign the papers, however, he found the major investor had sold the publication the night before to Ziff-Davis Publishing Co. in New York. According to Mr. McGovern, 41 of the 45 staff members of PC Magazine walked out and came to him with a proposal for launching a competing magazine. He accepted. Mr. McGovern claims that *PC World* set a record for the most number of advertising pages in a first issue of a computer magazine, 200.

(For its part, *PC Magazine* seems to be doing well under Ziff-Davis. The April issue carried a whopping 360 ad pages.)

While *PC World* has been greeted with enthusiasm, CWCI has had more difficulty marketing Framingham, Mass.-based *ISO World*. The publication, originally called *Computer Business News*, was launched by Mr. McGovern in 1978.

The magazine's name was changed in October to *ISO World* (ISO stands for independent sales organizations). "The new name more properly reflects the marketplace of today," says Mr. Boyd.

Before its name change, the magazine lost an estimated $4 million. "It started as a trade paper focusing on the business side," says Stewart Alsop II, the editor. "It was never well focused or defined." The publication now has a controlled circulation of 32,000, he says, and makes its revenues solely from advertising. Since October, 1982, the magazine has taken in $1.5 million in advertising.

CWCI has had more success with its consumer magazine *InfoWorld*, based in Palo Alto, Cal. Started in 1980 to service the owners of desk top computers, the publication has enthusiastic admirers.

"*InfoWorld* does excellent product and software reviews," says David M. Simons, president of New York-based Digital Video Corp. "It runs pieces on personal computers which add a perspective you don't often get. It has good news coverage and digs deeper than even *Computerworld*."

InfoWorld has many competitors, but the chief among them is McGraw-Hill's *BYTE*, which had a hefty 348 ad pages in its March issue. But, as Mr. Boyd notes, the potential audience is large. "It goes to the professional user of desk top computers," he says. "That can range from the consumer to doctors, lawyers, architects, to a lot of people running small businesses that are beginning to computerize." In 1982, *InfoWorld* had $3.6 million in ad revenues and 2,347 ad pages.

Computerworld itself has changed over the years as the computer industry has evolved. When it began, *Computerworld* tended to concentrate on the large marketers of mainframe computers, but now the publication takes a broader view, covering minicomputers and microcomputers as well.

"Other magazines try to service one niche," says editor John Whitmarsh. "*Computerworld* tries to take an over-all view."

Computerworld also has continued to be a source of new ideas for other CW Communications' books. This month, the company is adding *Computerworld on Communications* to its list. This special edition is scheduled to come out twice annually and will deal in depth with data and business communications.

And then there is *Computerworld OA*, covering office automation. Started in 1982, it is

(Continued on Page M-14)

From left: John Whitmarsh, editor,* Computerworld; *Patrick McGovern, founder, IDC, and Walter Boyd, president, CWCI.

Charlene Canape, a New York-based business writer, is a regular contributor to Magazine.

Shops show 1st-quarter gains

By CHRISTY MARSHALL

NEW YORK—The proverbial light at the end of the tunnel may be visible to a good many agencies now that a majority of publicly owned shops posted solid gains in the first quarter of 1983, a period that generally is the lowest contributor of the four for agencies.

As in the past, the revenues would have been higher if they hadn't been affected adversely by the strengthened dollar. As Robert Jacoby, chairman of privately held Ted Bates Worldwide, said: "Some people go to St. Patrick's to pray for salvation. I go to pray for the weakening of the dollar."

In terms of net income, only Ogilvy & Mather, with its slight 4.2% increase, had a flat quarter. Biggest gainer was JWT Group, up to $1.1 million, from a loss of $47,000 in the first quarter of 1982, when the agency disclosed "accounting irregularities" in its syndication unit and wrote off $30 million in pretax revenues.

Now a majority owner of Simmons Market Research Bureau, JWT's income included SMRB's income for the first time. Gains were attributed to a turnaround profit in the recruitment division and improved results in the U.S. and European operations of JWT Co. and its subsidiary Lord, Geller, Federico, Einstein.

Grey Advertising, up 45% from the same period in 1982, came in as the second-biggest gainer, with Doyle Dane Bernbach third.

DDB showed an increase of 41%, a gain credited to increased ad spending by clients in New York and its Fletcher/Mayo/Associates subsidiary.

Mickelberry, parent of Cunningham & Walsh, Nadler & Larimer and Laurence, Charles & Free, among others, had a net of $512,000, up 26%.

The biggest loser in terms of net income was Foote, Cone & Belding, down 56.7%. The decline was attributed to the stronger dollar and high non-U.S. taxes.

Interpublic Group of Cos. also had a whopping drop in net income in the first quarter—down 45.3%. Philip Geier, Interpublic chairman-chief executive, blamed the drop in income to increased losses from foreign exchange currencies, an increase in the tax rate as a result of losses from certain foreign operations and the continuing recession outside the U.S.

On the revenue side, Mickelberry posted the greatest gain, up 104%. The increase reflected the earnings of Cunningham & Walsh, acquired in March, 1982.

No other agencies showed quite such dramatic first-quarter gains. Interpublic was up 24%. BBDO was up 22% for the period. The agency's 1983 domestic revenues include the full consolidation of Tracy-Locke/BBDO in Dallas.

Citing acquisition of such business as S.C. Johnson & Son, Data General, Cinzano and Stokely-Van Camp, FCB president Norman Brown wrote shareholders, "On a consolidated basis, we believe that for the full year 1983, FCB will have an earnings improvement in the range of 5% to 10%."#

First quarter agency financial results

All dollar figures in thousands

Net income	1983	1982	Per cent
BBDO	$3,736	$3,196	+17
Doyle Dane Bernbach	972	690	+41
Foote, Cone & Belding	603	1,392	−57
Grey Advertising	634	437	+45
Interpublic	1,446	2,645	−45
Mickelberry	512	405	+26
Ogilvy & Mather	2,122	2,036	+4
JWT Group	1,060	(47)	—
Revenues	**1983**	**1982**	**Per cent**
BBDO	$57,756	$47,163	+22
Doyle Dane Bernbach	41,895	38,898	+8
Foote, Cone & Belding	41,240	41,412	−.4
Grey Advertising	31,762	29,083	+9
Interpublic	126,260	101,850	+24
Mickelberry	21,343	10,447	+104
Ogilvy & Mather	80,074	73,921	+8
JWT Group	102,909	95,107	+8

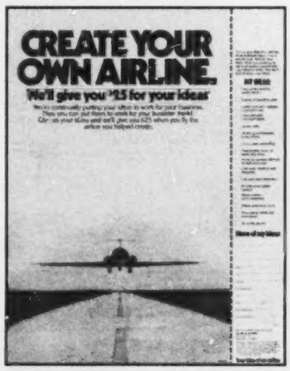
Midway ads ask traveler preferences

By SCOTT HUME

CHICAGO—Financially troubled Midway Airlines is asking for suggestions from prospective customers in its continuing effort to reposition itself as a carrier that caters to business travelers.

Ads appearing in business magazines and dailies in several of Midway's 14 markets invite readers to "Create your own airline" by indicating which of a listed series of airline services they consider important when traveling on business. Some of the descriptions, such as "All seats one price," already apply to Midway. Others, like "Copier at boarding gate," are services not now provided nor are general amenities ("Great snacks, well-presented") or features popular with everyone ("Lower fares").

The ads, placed by Zwiren & Wagner, Chicago, offer a check for $25 to all who respond and fly round trip before Nov. 15 "on the



airline you helped create." No airline is named in the ads.

"We launched the ads primarily to create a data and information base," said a Midway spokesman.

Like most airlines, Midway has experienced substantial losses in recent months. For its first quarter, it announced a net loss of $5.9 million on revenue of $20.2 million. Its passenger count was 30.3% above the year-earlier level, but its load factor was down from 47.9% in 1982 to 44.3% this year. Chairman Arthur Bass attributed the size of the loss to continued fare discounting by the major airlines.#

Print will survive new media

(Continued from Page 2)

ported from the U.S.

"Few publishers are making much in the way of profits from electronic publishing, but many regard their investment as vital to their future growth," he said.

Electronic media is an opportunity for print publishers—not a threat, according to William Broyles, editor-in-chief of *Newsweek*. "I enjoy the irony that the technology which was supposed to bury us has generated a lot of new magazines," such as cable and computer publications, he told the meeting. "The magazine is the perfect information cassette. It's portable, permanent and you can direct the use of it at your own pace."

Huib Boermans, managing director of the VNU Magazine Group, told FIPP delegates how one of his Dutch magazines, *Libelle*, regained its top position in the women's magazine field. The editorial and marketing staffs of the magazine cooperate to develop "unique selling points" to attract nonreaders.

But Mr. Boermans said money alone isn't the entire answer to a successful magazine restaging. "There is no point to spending large amounts of money on temporary circulation boosts; this type of short-term success doesn't lead anywhere. The funds *Libelle* had at hand for editorial and marketing purposes were viewed as one and the same by the editorial and marketing staff."

Both staffs, as part of implementing an editorial marketing budget, make joint decisions on what covers to run, since "there was no point to advertising *Libelle* if that particular week's issue didn't have some specific angle to it." The editorial marketing budget also involves publishing about 35 editorial inserts a year, such as separate brochures and posters.

Hearst Corp. licenses 64 editions of its various publications—including 18 for *Cosmopolitan*—in 20 countries with a total circulation of almost 5 million. According to Brian Braithwaite, publisher and director of Hearst's U.K. subsidiary, National Magazine Co., the British *Cosmo*, launched in 1972, has a circulation of about 430,000, making it the leading young women's magazine in the country. The newest *Cosmo* edition is in Holland (launched in March, 1982) and "everything points to a breakeven by the second year," said Hanny van den Horst, vp, United Dutch Publishing Cos. (VNU).

The mixed performance of 175 information providers of the Prestel videotex service in the U.K. has inhibited its growth, according to Cees VerVoord, general manager of Kluwer Technical Periodicals in the Netherlands. Prestel in the U.K. currently has 10% of its 250,000-set target. Italy has 1,500 videotex sets in use, Holland 6,000, France 2,500 and Germany 7,000. Mr. Ver Voord said quality of the information providers must be improved, prices reduced and commercial use expanded for videotex services in Europe to succeed.#

'Parade,' 'FW' bid to reclassify

(Continued from Page 2)

other dictionary, would identify us as magazines."

The rankings of PIB list nine categories of magazines, such as monthlies, home and youth. Their pages and revenues are summed up under a heading, "Magazine total."

At the end of the reports comes a category called Sunday supplements and sections. The pages and revenues of three publications—*Family Weekly, New York Times Magazine* and *Parade*—are summed up under a heading, "Supplements total." The "over-all total," adding together both the magazines and the supplements, then is provided.

"As it's shown now," Mr. Vittorini said, "we're considered as an odd creature tacked on at the end, and if somebody looks there, fine." This categorization is restrictive and inaccurate, he said, because "an unfair advantage is given to other magazines. Our intent is to see the advertising community is provided access to our statistics under reasonable category classifications."

When the supplements are "segmented out," Mr. Linskey said, "they're trying to relegate us to the position, 'Don't think of them and maybe you won't buy them.'

The supplements have asked PIB several times to change their status to regular member from associate member, most recently about a month ago.

The PIB board "decided their status should remain as it has been," said Bob Farley, vp, PIB, "as associate members. The board feels, as it has felt for several years, there is a distinction between magazines and Sunday supplements and it should continue to exist. There are a number of distinct differences, several the board thinks are significant." He declined to detail them, citing the confidentiality of discussions at board meetings.

Getting the supplements' status changed "is certainly something we intend to pursue," Mr. Linskey said. "I really don't think there is any other way but persevering." *Parade* will "continue to seek what is justifiably ours," Mr. Vittorini said. "We intend to pursue the matter. . .We're putting together a program we're going to pursue back to PIB."#

Nestea tries a larger arena

(Continued from Page 2)

leans. "But all that's beginning to change. A lot is happening right now," he added. Market leader Thomas J. Lipton Inc. is testing a caffeine-free version of its tea bags in upstate New York (AA, May 2).

A big question posed by observers—and one that Nestle answers equivocally—is just *how* Nestle will promote its new tea bags. Will it be pushed as a hot drink, iced drink or as a switch-hitter?

Nestea—indeed, all instant teas—have found the Southeast and Southwest recalcitrant markets, at best. "In these areas of the country, people just don't buy much iced-tea mix," Luzianne's Mr. Corby said.

Apparently Nestle is quite aware of this cultural juggernaut. Several sources say that in 1981 the company officially investigated why consumers in the land of mint juleps and magnolias find instant iced tea so difficult to swallow. What Nestle reportedly discovered boiled down to this: That's the way tea's always been prepared, and it's not a region quick to change.

Tea Council figures show that the company is moving with the times. Over the last five years, the tea-bag segment of the tea market has shown consistent, determined growth. In 1982, tea bags comprised 57.8% of the over-all market, versus 50.2% in 1977. And, according to Tea Council executive Don Wiederecht, "At least one-half—or maybe more—of tea bags are used for iced tea."#

BK will push pita, platter

MIAMI—Starting in July, Burger King will be national with its new salad bar and the suggestion that patrons "Eat a pita" or, if they prefer, "Eat a platter."

New tv spots for the salad bars (AA, April 25) incorporate the chain's current "Aren't you hungry?" theme, eschewing the flame-broiled burgers. The J. Walter Thompson USA-created commercials explain the uses of the pita pocket (a piece of round, flat bread that is slit open so food can be stuffed into it), and that salad platters also are available.

The salad bar includes 23 salad fixings and six salad dressings. Those choosing the all-you-can-eat salad platter can expect to pay between $2.10 and $2.20. The salad-stuffed pita carries a suggested 99¢ price tag.

The network tv blitz breaks after July 4. Burger King will use prime time, fringe and, for the first time, daytime soap operas. Radio, outdoor and print will support. BK's heavy magazine schedule is directed toward women and consumers with a concern for diet and nutrition. "We get a positive food quality halo over everything we serve by serving salad," said Steve Bowen, JWT senior vp-management supervisor.#

Court OKs end of radio ad limit

WASHINGTON—Despite qualms about "blatant commercial excesses," a three-judge U.S. circuit court of appeals panel last week upheld the 1981 Federal Communications Commission decision to abandon its 18-minutes-per-hour benchmark for overcommercialization on radio.

FCC said the marketplace would curb ad clutter on radio. The National Assn. of Broadcasters contended that only a handful of radio stations had met or exceeded the 18-minute mark during the eight years the guideline was in place. The court opinion also upheld the FCC's decision to drop similar quantitative guidelines setting benchmarks for news and information programing on radio stations and its decision to eliminate the requirement that stations survey their communities to ascertain community needs and issues.#

Submarine spotting made easy - Page 3

David Mahoney: The maverick corporate spokesman - Magazine

Market research's Top 30 - Magazine

C2710-1

Advertising Age ®

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$1.25 a copy; $50 a year *The International Newspaper of Marketing • In Two Sections, Section 1.* *May 23, 1983*

New Four A's chairman Paul Harper of Needham, Harper & Steers (2nd left, top photo) and outgoing chairman Jack Bowen of Benton & Bowles enjoy opening festivities with their wives, Leigh Bowen (left) and Eleanor Harper. In photo at left, **Canadian guests** Keith and Helen McKerracher of the Institute of Canadian Advertising chat with Rena Bartos (left) of J. Walter Thompson USA.

Four A's forecast is sunny

WHITE SULPHUR SPRINGS, W. VA.—In contrast to last year's American Assn. of Advertising Agencies annual meeting here, when the skies were bright and the mood gloomy, this year's record gathering was marked by optimism, even as occasional rain marred the all-important golf and tennis tournaments.

Executives from both small and large agencies—most with good first quarters behind them—expressed confidence about the ad business for the rest of 1983.

At the same time, however, they are looking for ways to ease a profit squeeze that is reducing the percentage of billings or gross income that makes it to the bottom line. One approach mentioned by many of the more than 800 attendees: More use of fees.

But "we're out of the dark as far as the recession goes" said Brian Sherwood, senior vp at Geer, DuBois, New York, summing up the prevailing view at the 3½-day meeting at the Greenbrier that ended Saturday. "'83 looks terrific," said Ed Eskandarian, president of Humphrey Browning MacDougall, Boston.

John O'Toole, chairman of Foote, Cone & Belding Communications, noted that "anything would be better than '82," a year in which the agency lost important accounts such as British Airways and Hallmark Cards. FCB has been adding substantial new business this year.

Smaller-agency executives were also optimistic. Joseph E. Anderson, president of Warren Anderson Advertising, Davenport, Ia., said he was having a good year in the Quad Cities area of Iowa-Illinois. However, facing an 18% unemployment rate in Iowa, the agency

(Continued on Page 96)

Erlicht to get top program post at ABC

By MORRIE GELMAN

LOS ANGELES—Tony Thomopoulos, the chief architect of ABC-TV programing for the last five years, will be leaving as president of ABC Entertainment, ADVERTISING AGE has learned.

He will be succeeded by Lewis H. Erlicht, senior vp for prime time programing.

The change may not be effective until the first of next year. It's believed that Mr. Thomopoulos will remain at ABC, based in New York and probably reporting to Fred Pierce, president-chief operating officer of ABC Inc.

Mr. Thomopoulos, made aware that a story about his replacement as head of ABC Entertainment was being prepared, said: "I've made no plans at all; I'm still in this job." But, he acknowledged, "One day, I'm sure, it's going to happen," noting that he had been in the post five years now. A spokesman for ABC, while neither confirming nor denying that Mr. Erlicht would succeed Mr. Thomopoulos, pointed out that "in situations where things are said to be happening, it's our policy not to comment."

The change at the ABC programing helm has been rumored for several months. The position Mr. Thomopoulos has held since February, 1978, calls for providing the entertainment programing on the ABC tv network and for developing its programs and talent, among other responsibilities. While ABC was No. 1 in prime time ratings when Mr. Thomopoulos took office, it has been second to CBS since the 1979-80 season.

In the prime time ratings competition that concluded in April, ABC was a close second, but more thanks go to miniseries and special programing such as "The Winds of War" and "The Thorn Birds" than to regular programing.

The network is sorely lacking in new hit series. Such hopefuls as "Joanie Loves Chachi" and "Ryan's Four" have not proved successful. There is no Tom Selleck (CBS) nor "Hill Street Blues" (NBC) among ABC's new crop of

(Continued on Page 93)

7UP upsets industry again—Page 2

last minute news

FDA orders Boots prescription drug ads off air

WASHINGTON—The FDA late Friday ordered Boots Pharmaceuticals to get commercials for its prescription drug, Rufen, off the air or face legal action. The company said it is considering "various courses of action" and will have a statement today (*see earlier story, Page 3*).

RJR expected to try value-added cigaret pack

WINSTON-SALEM—R.J. Reynolds Tobacco is expected to announce tomorrow its answer to Liggett & Myers' generic cigarets, a value-added pack believed to contain 25 cigarets. Tatham-Laird & Kudner, Chicago, is said to have such an assignment.

Fredericks quitting Waring agency to set up shop

NEW YORK—Charles Fredericks will resign his post as exec vp at Waring & LaRosa June 1 to form his own agency. Mr. Fredericks joined

(Continued on Page 8)

NEWSPAPER

Gr[illegible]olling out new [illegible]ffees—Page 3

Interpublic tames the West

By JENNIFER PENDLETON and CHRISTY MARSHALL

"One of the major opportunities for future growth is right here in the United States," chairman Philip H. Geier Jr. told shareholders of agency conglomerate Interpublic Group of Cos. last week. He then informed them that IPG had acquired a Los Angeles-based ad agency he termed "the gem of the West," the $135 million Dailey International Group and its main subsidiary, Dailey & Associates.

For Interpublic, the $22 million acquisition is an important advance. It gives the giant holding company a stronger presence in the West, especially in Los Angeles, where its McCann-Erickson and SSC&B offices have shown lackluster-to-disappointing performances. It also places it more firmly in San Francisco, where Interpublic is only represented by McCann.

With Dailey, Interpublic adds the West's largest independent, an agency whose billings have increased dramatically throughout its 15-year history. In 1967, when agency chairman Peter Dailey bought the then West Coast division of Detroit's Campbell-Ewald (prior to IPG's buy of C-E), its billings were a modest $8 million. Last year, a difficult time for most in advertising, Dailey's $100 million-plus billings rose a robust 25%.

A substantial part of that jump

(Continued on Page 94)

Watch Interpublic grow

Major acquisitions and events since formation

1960—Interpublic Group of Cos. formed, with McCann-Erickson the major unit. Marschalk Cos. is another.
1963—Interpublic acquires Erwin Wasey Inc., Los Angeles.
1972—Interpublic acquires Campbell-Ewald, Detroit.
1976—Campbell-Ewald acquires Clinton E. Frank Inc., Chicago.
1979—Interpublic acquires SSC&B, New York, and a 49% interest in London-based Lintas.
1979—Erwin Wasey Inc. merges into SSC&B.
1980—Marschalk Co. aligns with Campbell-Ewald, forming Marschalk Campbell-Ewald Worldwide.
1982—Interpublic acquires remaining 51% of Lintas.
1983—Interpublic's planned acquisition of Los Angeles-based Dailey International Group and subsidiary Dailey & Associates.